CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

FEBRUARY 7, 2006

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

INVOCATION:
Pastor Carl Nielsen of Bethel Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Mariscal led the pledge of allegiance.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino

STAFF MEMBERS PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Trujillo, Police Chief Macagni, Director of Administrative Services Snodgrass, Director of Recreation and Parks Posada, Fire Chief Ortiz, Director of Utilities Chisam, Director of Public Works/City Engineer Sweet, Planner Kimball, Building Division Manager Marshall, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS
Mayor Lavagnino asked Director of Utilities Chisam to give a brief report on the action taken by the San Luis Obispo County Board of Supervisors.

Director of Utilities Chisam explained that at the San Luis Obispo County Board of Supervisors meeting today, the Board approved the transport of almost 1 million tons of non-hazardous hydrocarbon impacted soils from the Guadalupe Oil Field clean-up site to the Santa Maria Landfill. The City has the capacity to accept 4 or 5 million tons. This will be a good start toward the closing of the landfill.

PUBLIC COMMENT
Ernest Armenta spoke against the purchase of the Las Flores Ranch property or any property outside the City limits for recreation purposes, against any measure to extend Measure D, and against money from the sale of surplus water going to subsidize local businesses.

Gabriel Valencia, M.A.P.A., invited the Council to the Cesar Chavez celebration at Preisker Park next month. He asked the Council for a proclamation again this year.

CONSENT CALENDAR
Councilmembers Orach and Mariscal requested Item 3C be pulled for comment. Councilmember Trujillo requested Item 3K be pulled for comment.

Item 3C – Approval of City Council City-Wide Goals
Councilmember Orach announced that the City Council had held a special goal setting workshop on January 25th. He read the five top-ranked goals selected by the Council.

Councilmember Mariscal announced that the City Council had also held a public workshop on January 12th to hear public input on what the Council's goals should be. He thanked everyone who participated in the process. He commented that one of the issues discussed at the goal setting workshop was the Santa Maria Levee. That was not listed as one of the Council goals, because the Council felt it would be moving forward anyway. He asked Public Works Director/City Engineer Sweet to report on the plans for that.

Public Works Director/City Engineer Sweet stated there was some renewed interest from the local legislators, and the project may now be included in the Governor's proposal for a bond measure. Next week the head of the region for the Army Corps of Engineers will be in town. Staff will be meeting with him and trying to determine where all the different agencies stand. In the next month or two, staff will be working with the neighborhood associations to get them educated on the issue and then determine available funding sources.

Councilmember Mariscal also talked about the goal of "enhancing the economic vitality of the City" and specifically the Economic Development Fund established by the City. That fund was generated by the sale of surplus water, but it is not giving money to businesses randomly. The concept was to provide an opportunity to businesses either coming into the community or expanding existing businesses in order to supply more jobs and bring more money into the community.

Item 3K – Notice of Completion for Rotary Centennial Park
Councilmember Trujillo commented that this was a very good example of the community coming together to provide something beautiful for the community. The City does not have enough money to do everything; and in this case, the Rotary Clubs took the initiative to raise money to help improve this park. He thanked Fire Chief Ortiz for being the lead on this project.

Consent Calendar Items A through L were approved with the indicated action on motion by Councilmember Mariscal, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar are adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Special City Council Meeting of January 13, 2006, the Regular City Council Meeting of January 17, 2006, and the Special City Council Meeting of January 25, 2006 were approved as submitted.

C. CITY WIDE GOALS
Council directed staff to incorporate the proposed City Council City-Wide Goals into their department-specific goals and objectives for the City to address over the next two-year period.

D. RELEASE OF BOND
Council accepted as complete certain public improvements and authorized the release of a Faithful Performance Bond in the amount of $16,112 for the installation of 134 street and easement trees, including maintenance for one year, posted in connection with North Preisker Ranch, Tract 5764, Phase 4.

E. RELEASE OF BOND
Council accepted as complete certain public improvements and authorized the release of a Faithful Performance Bond in the amount of $18,850 for the installation of public landscaping and irrigation improvements posted in connection with Parkside IV, Tract 5736, with the order that the Planting and Irrigation Maintenance Bond be held until February 2007.

F. RELEASE OF BOND
Council accepted as complete certain public improvements and authorized the release of a Faithful Performance Bond in the reduced amount of $10,000 for the construction

and installation of public improvements posted in connection with Princess Estates, Tract 5699, Phase 2, with the order that the Contractor, Labor and Material bond be held until August 2006 and the Guarantee and Defective Material Bond be held until February 2007.

G. WARRANTS
Warrant Nos. 125010 to 125438 in the amount of $4,023,728.49 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 115433, 11702, 124863, 125237, 125260, and 125273 were cancelled.

H. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

I. ORDINANCE NO. 2006-01
The second reading of Ordinance No. 2006-01, making amendments to Chapter 2 of Title 6 of the Municipal Code relating to trespassing on private property, was conducted and the ordinance was adopted.

Ordinance No. 2006-01 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING CHAPTER 2 OF TITLE 5, RELATING TO TRESPASSING ON CERTAIN PRIVATELY OWNED PROPERTY.

J. ABC LICENSE
A notice from the California Department of Alcoholic Beverage Control of an application for an Alcoholic Beverage License in an existing restaurant for El Pollo Norteno, located at 1954 S. Broadway, Unit H, was noted and filed.

K. NOTICE OF COMPLETION
A Notice of Contract Completion for Rotary Centennial Park, Bid No. 2005/06, was approved for recording.

L. NOTICE OF COMPLETION
A Notice of Contract Completion for Pond Distribution Piping, Bid No. 2005/01, was approved for recording.

APPOINTMENTS TO BOARDS/COMMISSIONS/COMMITTEES
Chief Deputy City Clerk Perez gave the staff report. There are currently two vacancies on the Code Compliance Board for a regular term of two years. Applicants are nominated by individual Councilmembers, appointed by the Mayor, and confirmed by the City Council. Councilmembers Mariscal and Mayor Lavagnino will be making the nominations. Ten applications were received from Gordon Chambers, Harrell Fletcher, Carl Holmquist, Andressa Marino, Karen McConnell, Gerald Moxley, William Orndorff, Justin Randall, Barry Sigman, and Greg Villegas. There is one vacancy on the Landmark Committee for a term of three years. Appointments are made by the Mayor and confirmed by the City Council. One application was received from James O'Neill. There is also one vacancy on the Recreation and Parks Commission to fill the unexpired term of Barbara Badalutz. Applicants are nominated by individual Councilmembers, appointed by the Mayor, and confirmed by the City Council. Councilmember Mariscal will make the nomination. Two applications were received from Ann Batterson and Bruno Brunello.

Code Compliance Board
Councilmember Mariscal nominated Harrell Fletcher. Mayor Lavagnino nominated Justin Randall.

On motion by Councilmember Orach, seconded by Councilmember Mariscal, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

the appointments of Harrell Fletcher and Justin Randall to the Code Compliance Board were confirmed.

Ernest Armenta stated that with 10 people submitting applications to serve on the Code Compliance Board, it might be time to look at expanding the number of members on that Board. He asked that Council direct City Manager Ness to prepare a report on expanding the Board to include more members.

Mayor Lavagnino thanked all the applicants for their interest in serving and indicated they were all worthy of appointment.

Landmark Committee
Mayor Lavagnino appointed James O'Neill.

On motion by Councilmember Mariscal, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

the appointment of James O'Neill to the Landmark Committee was confirmed.

Recreation and Parks Commission
Councilmember Mariscal nominated Ann Batterson.

On motion by Councilmember Mariscal, seconded by Councilmember Trujillo, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

the appointment of Ann Batterson to the Recreation and Parks Commission was confirmed.

ECONOMIC DEVELOPMENT COMMISSION ANNUAL REPORT
Robert Hatch, President and Chief Executive Officer of the Chamber of Commerce and Chairperson of the Santa Maria Valley Economic Development Commission presented the Commission's Annual Report for 2005. During the first year, the Economic Development Commission set the following goals: create and renew partnerships; validate attributes and strengths; evaluate our image; review marketing tactics; form cooperative agreements; renew partnership with the Santa Maria Public Airport District; add dedicated web pages; update demographics; focus on key economic sectors; develop out-of-area marketing strategy; utilize existing Chamber events for public relations; absorb costly overhead; target Southern Santa Barbara County; use existing software; concentrate on expansion and retention of existing businesses; maintain relationship with VAFB; and identify economic development grants. Every one of the first year goals have been addressed and a program of work developed for each. The second year tasks for the Commission include: recommend additional funding for staff; create and add more jobs; increase employment numbers; develop committee work; enter the Southern Santa Barbara County area; establish a local media campaign for advertising and press releases; limit overhead expenses; and enhance economic development segment of the Chamber Challenge. Ads were placed in the following publications: *Global Corporate Expansion Magazine*, *Expansion Management*

Magazine, *National Association of Manufacturers Directory*, and *Pacific Coast Business Times*. The Commission has re-energized the Business Visitation Program and reformed the Chamber's Business Committee to facilitate networking opportunities. In addition, the Commission and Chamber staff have continued to provide advice or assistance to numerous companies seeking to expand or relocate their operations. Some of the businesses included were CafeFX, PC Mechanical, Whitecap Stores, and American Building Automation. The Commission retained the services of a consultant to help develop a strategy to make contact with businesses in the southern part of the county. Negotiations are now complete with International Software Trading Company and operations will soon begin in Santa Maria. Fusion Marketing has leased space and has begun local operations. The Commission has also pledged its support of the continuing development of the business park located on airport property. The Commission has made significant progress in the first year including a successful application process to Pacific Gas and Electric which led to the award of a sizeable grant for economic development; the successful implementation of the Revolving Loan Fund; contribution to the "Hawks Nest" project which is being pursued by the California Space Authority; involvement with the Central Coast Marketing Team; and a new section on the Chamber website devoted to economic development.

The Council thanked Mr. Hatch for the report and ordered the report received and filed.

Ernest Armenta stated after listening to Mr. Hatch and the Councilmembers, all they talk about is growth, growth, growth. He said he didn't want to see the City grow anymore and didn't think the majority of the people did either. He requested a copy of the Chamber of Commerce's budget so he could see how much money they are receiving and how it is being spent.

CHAMBER OF COMMERCE SEMI-ANNUAL REPORT

Robert Hatch, President and Chief Executive Officer of the Chamber of Commerce, and Gina Keough, Manager of the Visitor and Convention Bureau, presented the Semi-Annual Report for the Santa Maria Valley Chamber of Commerce and Visitor and Convention Bureau for the period from July 1, 2005, through December 31, 2005. During the first half of the 2005/06 fiscal year, stronger alliances between the Bureau, the local hospitality partners, and the cultural community in the Santa Maria Valley fostered new and exciting approaches to marketing the Santa Maria Valley. Transient occupancy tax increased 4 percent over last year's figures totaling more than $2.2 million. The Bureau developed a new logo to use in its advertising/marketing and public relations campaigns. In conjunction with the new logo, the branding of "California's Sweet Spot" will be used to promote all the best that Santa Maria Valley has to offer. The Bureau actively takes every opportunity to promote the Santa Maria Valley through the California Tour and Travel Commission. In November, the Bureau submitted information for a press release entitled *Catch the Big One in California* which will promote the great surf-perch fishing at the Rancho Guadalupe Dunes County Park and Oso Flaco Lake. The press release is set for placement in the 2006 summer editions of lead magazines. In an effort to reach Canadian travelers, the California Travel and Tourism Commission partnered with the Canadian Automobile Association. The Bureau was able to participate at no cost in the *California – Find Yourself Here* campaign. The Bureau produced a new comprehensive information brochure highlighting the Foxen Canyon Wine Trail. The Bureau renewed the contract with Mooncatcher Communications to handle its 2005-06 publicity campaign. The Bureau continues to advertise in key tourism industry and leisure publications, such as *Sunset Magazine, California State Visitor Guide* and *Westways Magazine*. To capitalize on sports industry events, the Bureau placed a listing in the November/December issue of *Sports Events Magazine*. Additional advertising was placed in the Winter Edition of *Smart Meetings Action Kit* and *2006 Solvang/Santa Ynez Valley Visitors Guide*. The Bureau developed a full-color brochure highlighting the Santa Maria Style Barbecue and a Strawberry brochure promoting the Valley's strawberry crop. New features for the *2006 Santa Maria Valley Community & Destination Guide* include a designated section for sports facilities and playing fields as well as expanded wine country and calendar of events sections. The Bureau will also be working on a new Hagerman Complex marketing guide. Twelve organizations received special projects grants during the first half of the

year. The 21st Annual Autumn Arts Grapes & Grains Festival, held on October 2nd, was another successful event.

Councilmember Mariscal commended the Chamber for leveraging the efforts of the Visitor and Conference Bureau for economic development as well. Promoting the Central Coast as a tourist destination brings in people who may like the area and decide to open or relocate a business here which will generate more jobs.

The Council thanked Mr. Hatch and Ms. Keough for the report and ordered the report received and filed.

ANNUAL TECHNICAL AMENDMENTS

City Attorney Trujillo gave the staff report. As part of an ongoing project beginning in 2000, the City Attorney's office has collected a list of Municipal Code provisions that work ineffectively for technical reasons. The list also includes laws that need to be updated, modified or deleted because of changes in State law or in City operations. The proposed ordinance would: (1) add definitions and clarifying language to the City's personnel ordinance, provide an exception to the requirement to pass a pre-hiring examination for some former limited service employees, and make clarifying changes to eligibility list and holiday provisions; (2) repeal and delete Title 4, Chapter 8 of the Code, pertaining to fortunetelling and similar occupations; (3) add a new Article to the Code making it unlawful for the owner or persons having care, custody or control of domestic animals to allow the animals to be at large; (4) clarify and make consistent the noise ordinance provisions relating to construction; (5) clarify that it is unlawful to deposit rubbish onto public property; (6) facilitate the location of a paintball facility in Santa Maria, subject to Council approval of the location and facility; (7) update the Code with court-approved language to clarify that abutting owners share legal responsibility for the upkeep of sidewalks; (8) repeal an outdated section of the Code relating to local haulers of septage; (9) specify that treated waste water is to be treated as holding/septic tank waste in the City's Schedule of Fees and Charges; and (10) correct a reference in the wastewater ordinance, replacing "Director of Public Works" with "Director of Utilities."

Councilmember Patino asked what types of animals would be included in the definition of "domestic animals."

City Attorney Trujillo explained that it would include animals like goats or chickens.

Ordinance No. 2006-02, making certain technical amendments to the Santa Maria Municipal Code, was introduced by title only and continued to the next meeting for second reading and adoption on motion by Councilmember Orach, seconded by Councilmember Trujillo, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2006-02 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING VARIOUS SECTIONS OF THE SANTA MARIA MUNICIPAL CODE, RELATING TO PERSONNEL, FORTUNETELLING, DOMESTIC ANIMALS RUNNING AT LARGE, CONSTRUCTION NOISE, DEPOSITING RUBBISH ON PUBLIC PROPERTY, DISCHARGE OF WEAPONS, SIDEWALK MAINTENANCE, CATEGORY OF UTILITIES FEE, LOCAL SEPTIC TANK WASTES, AND UTILITIES DIRECTOR.

SECOND QUARTER FINANCIAL REPORT

Director of Administrative Services Snodgrass gave the staff report. With 50 percent of the year complete, revenues are at 38.5 percent of projections while expenditures are at 46.0 percent of appropriations. Total revenues and transfers are less than budgeted and less than the prior year. Total income is $5.1 million or 22 percent less than last year at this time. Departmental expenditures are $1.4 million or 9 percent less than the prior year. The top five revenue sources account for about 32.6 percent of total General

Fund revenues at mid-year. However, these five budgeted revenues account for 68.3 percent of total yearly revenues. The difference is due to the timing of the receipt of revenues. The two largest budgeted revenues, sales tax and VLF account for 47.9 percent and are tied to the economy. Sales tax receipts are approximately $8,500 more than last year. VLF are approximately $121,900 less than the prior year. This reduction is the result of the substitution of property taxes for VLF revenues. Property tax receipts are 71 percent of budget, 21 percent higher than expected at the second quarter and $197,600 higher than last year. Operating costs were 4 percent less than expected at the end of this period. In the Water/Wastewater Fund, expenditures exceed revenues by $4.8 million primarily because State Water payments are paid in full at the beginning of the fiscal year. Total annual payments, including debt service requirements, range from $18.1 million to $20.8 million. Currently, staff is conducting an intensive analysis of the cash requirements over the next five years to ensure that the fund has adequate resources to meet all obligations. A budget amendment report has been included which recommends several personnel and operations changes.

Councilmember Orach expressed concerns regarding the proposal to not fill the vacant 32-hour Community Outreach Coordinator and use that money to fund other position changes. He felt that was a very important position.

Director Snodgrass explained that the duties of the Community Outreach Coordinator were being dispersed to other Special Projects staff and Recreation and Parks staff and that re-filling the position would be reviewed as part of the upcoming budget.

Councilmember Orach asked that the Community Outreach Coordinator position be seriously looked at for the 2006-08 budget.

Mayor Lavagnino said he was glad to see in increase in the pay range for the Plan Check Engineer position which the City had been unable to fill. He said that was one of the things the development community told the City was needed in the Community Development Department.

Councilmember Orach asked about the widening of East Main Street and asked what it would cost to extend the improvements all the way to the Landfill.

Public Works Director/City Engineer Sweet explained that there was about a quarter mile section east of Fremont Street that was still within the City limits that would be improved as part of a development project. The remainder of the road was in the County, and the County had overlaid that section to the Landfill within the last several years.

Councilmember Patino commented on the portion of the Quarterly Report which indicated that over 1,300 non-farm jobs were created in 2005, and it was expected that another 1,200 jobs would be created in 2006 and 1,600 in 2007. The City of Santa Maria is expected to surpass Santa Barbara in population during this year.

Councilmember Mariscal commented that the Triple Flip Exchange was not a dollar-for-dollar exchange. Sales tax is paid out every month to the State, but property tax is only paid to local governments twice a year. The State takes money from local government on a monthly basis. The City loses money in the exchange. In the past couple of years, the City started putting money into the LEAF fund because it was unknown how much money would be received from the State. It was the City's emergency fund. With the passage of Proposition 1A last year which protects local government revenues, the City is more comfortable with the revenue coming in from the State.

Ernest Armenta stated if the City was not getting all their money back from the State, then the Council should be contacting the State legislators and tell them the City is sick and tired of the State taking the City's funds. When Measure D fails, the City will really be hurting. He asked Director Snodgrass what the current balance in the LEAF fund was.

Director Snodgrass responded that the current balance in the fund was approximately $11.3 million.

Ernest Armenta commented that was barely enough to pay City employees their salaries and benefits. He felt the City should continue putting money into the LEAF fund.

Resolution No. 2006-17 was adopted approving amendments to the budget on motion by Councilmember Orach, seconded by Councilmember Trujillo, and carried on the following vote:

AYES: Councilmember Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2006-17 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2005-06 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER
City Manager Ness reported on items for the next regular City Council meeting on February 21, 2006, including public hearings on the Economic Development Element Update and Sunrise Terrace General Plan Amendment and Zone Change.

ORAL REPORTS OF COUNCILMEMBERS
Councilmember Trujillo reported that he and the Mayor attended the St. Louis de Montfort School Week on February 1, 2006.

Councilmember Mariscal reported that last Saturday he and the Mayor judged pinewood derby cars for the Cub Scouts. Saturday evening, he and Councilmember Patino attended the Special Olympics Fund Raiser Dinner at the Veterans Memorial Center which was very nice. Additionally, last week he was in Long Beach at a Faster Freight, Cleaner Air Conference. If there is a reason to consider the reauthorization of Measure D, it is because of the transportation of goods that come into the two ports in Southern California. By the year 2025, they anticipate a 400 percent increase in import traffic flowing through those two ports. The transportation of goods from those ports only works two ways, truck and train. The train tracks and the use of freight trains is maxed out on the Coastal Coordinator. The only way to transport those goods to the Central Coast will be by truck. If Measure D reauthorization does not pass, the money to expand Highway 101 on the Central Coast or the North County or expand the Santa Maria River Bridge won't be there.

CLOSED SESSION
The City Council recessed to a Closed Session at 8:10 p.m. for Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria and Carreras v. City of Santa Maria; and Conference with Legal Counsel regarding anticipated litigation pursuant to Subsection (b) of Government Code Section 54956.9 (1 matter).

After the Closed Session, the following was announced.

Conference with Legal Counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria – Status report. No reportable action.

Conference with Legal Counsel regarding Carreras v. City of Santa Maria – Direction to staff.

Conference with Legal Counsel regarding anticipated litigation (1 matter) – Status report. No reportable action.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:41 p.m. by order of Mayor Lavagnino.

APPROVED

February 21, 2006
Date

ATTEST
Chief Deputy City Clerk

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Mayor of the City of Santa Maria